Morning Comment

AIB Treasury Economic Research Unit

Thursday 06 August 2026
07:19 am

Muted market moves

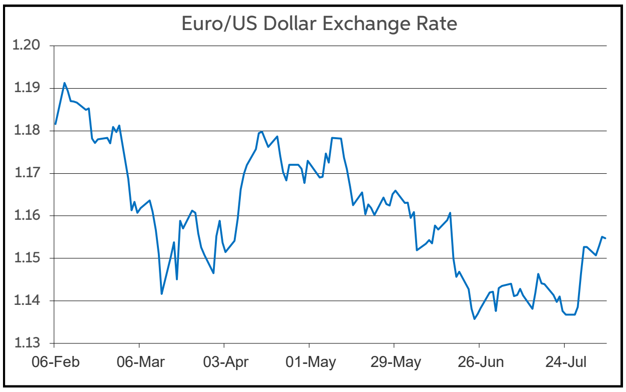
There was a more subdued tone to market sentiment yesterday. This followed two days of a strong 'risk-on' mood, which was driven by growing optimism that progress was being made towards resolving the Middle East conflict, including the potential re-opening of the Strait of Hormuz. Therefore, the more restrained tone on Wednesday may have reflected investors pausing for breath after two days of strong equity market gains as well as waiting for more concrete evidence to support their 'Middle East' optimism. At the close on Wall Street last night, the S&P 500 was modestly lower (-0.2%) on the day.

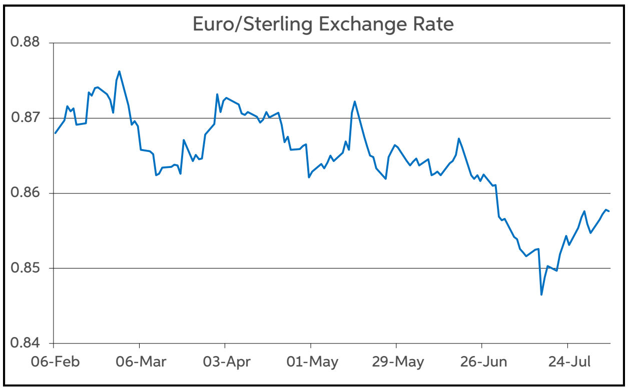
Data-wise, yesterday's macro data diary was generally lacking in top tier releases. The main highlight was the US non-manufacturing ISM for July. The headline number suggested that the services sector continued to register strong growth at the start of Q3, with a reading of 54.1, albeit this was slightly less than expected (54.5). Meanwhile, the lower than forecast print in the ADP employment report for July (+44k versus f'cast for 70k) implies some downside risk for Friday's official payroll number. Although, the ADP number is not usually a reliable lead indicator.

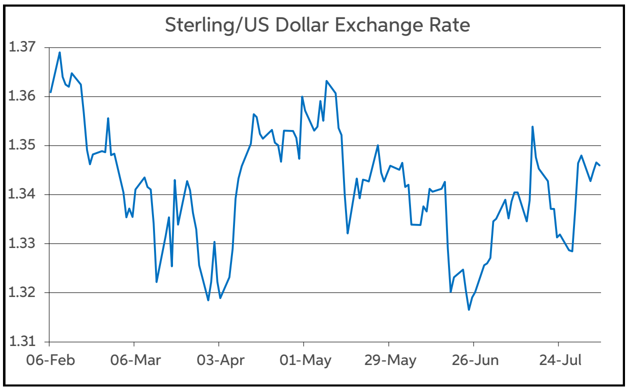
On the currency front, given the quiet data and event calendar, the main pairs operated within narrow ranges yesterday. This pattern has continued in overnight trading on Asia-Pacific markets. This is evident in the majors opening this morning at levels very similar to 24 hours earlier. EUR/USD is trading near to the midpoint of $1.15-1.16, while EUR/GBP continues in the upper half of 85-86p. Meantime, USD/JPY has maintained its position below ¥158.

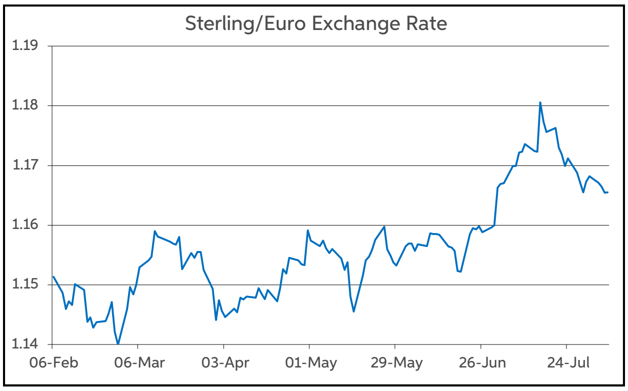
Ahead today, the macro diary is sparse on both sides of the Atlantic. Therefore, market participants will have ample time to digest any Middle East related developments.

John Fahey, Senior Economist, AIB









Today's Opening FX Rates

		% Change	
		Day *	End 2025
EUR/USD	1.1547	0.10	-1.69
EUR/GBP	0.8576	0.05	-1.59
GBP/USD	1.346	0.04	-0.10
GBP/EUR	1.1655	-0.05	1.62
USD/JPY	157.76	0.08	0.71
EUR/JPY	182.19	0.18	-0.98

* v Previous Day's European Open

See Next Page for More Rates

Opening Interest Rates

		Money Market		Swap Rates		
	Base Rate	1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	3.63	3.64	3.75	4.02	4.32	4.32
EUR	2.25	2.24	2.50	2.85	2.93	2.99
GBP	3.75	3.72	3.76	4.03	4.36	4.45

All rates quoted are indicative market rates

See Next Page For More Rates & Charts

FX Spot	Karl Cooke Shane Gargan	FX Options	Mark Tuite	Reuters Phone	AIBG.I 00353-1-7724018	Morning Comment	John Fahey john.j.fahey@aib.ie

Opening Levels

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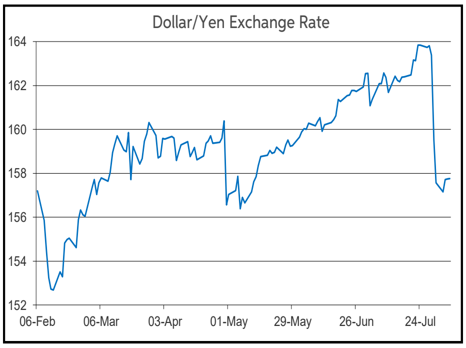
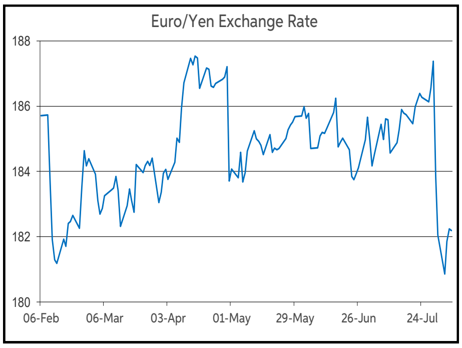
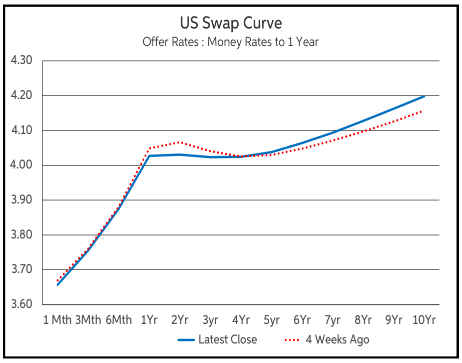
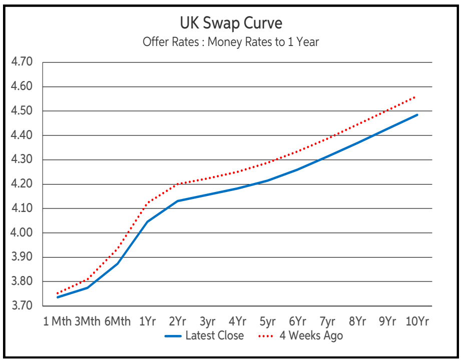
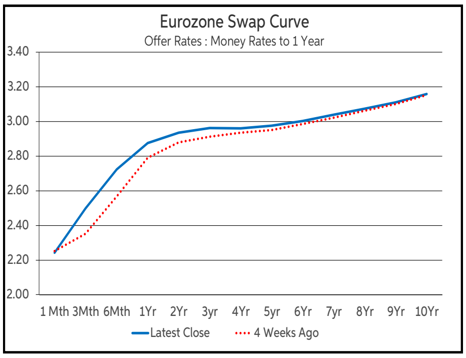
Euro		Sterling		Dollar	
EUR/GBP	0.8576	GBP/EUR	1.1655	USD/JPY	157.76
EUR/USD	1.1547	GBP/USD	1.346	USD/CAD	1.4012
EUR/JPY	182.19	GBP/CAD	1.8855	USD/CHF	0.8076
EUR/SEK	10.9574	GBP/NZD	2.2894	USD/CNY	6.7483
EUR/DKK	7.4755	GBP/JPY	212.34	USD/BRL	5.1219
EUR/NOK	11.0099	GBP/SEK	12.7709	USD/RUB	81.1
EUR/CHF	0.9325	GBP/DKK	8.7118	USD/INR	95.2
EUR/AUD	1.6393	GBP/NOK	12.8329		
EUR/HKD	9.0572	GBP/CHF	1.0872	AUD/USD	0.7042
EUR/CAD	1.6177	GBP/AUD	1.9109	NZD/USD	0.5877

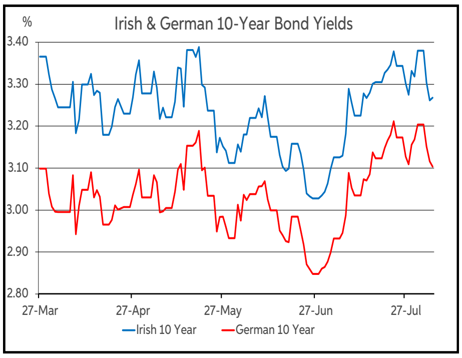












Debt Markets

	Close	Change bps Day	4 Weeks	End 25
10 Year Yield %				
US	4.62	-1	+5	+46
Germany	3.10	-1	+2	+24
UK	4.89	-0	-9	+42
Ireland	3.27	+1	-2	+24
Belgium	3.64	+1	-3	+29
France	3.90	+1	-2	+34
Italy	3.89	+2	-2	+38
Spain	3.55	+1	-3	+26
Portugal	3.46	-1	-3	+30
Greece	3.77	-1	+1	+29
5 Year Swap %				
US	4.31	+0	+1	+58
Eurozone	2.97	+0	+4	+41
UK	4.45	-0	-4	+56
2 Year Swap %				
US	4.29	-1	-4	+72
Eurozone	2.93	+1	+6	+67
UK	4.36	-0	-4	+63
10 Year Government Bond Spreads to Benchmark bps				
Ireland	16	+2	-4	-0
Belgium	54	+2	-5	+5
France	79	+3	-4	+9
Italy	78	+3	-4	+14
Spain	45	+2	-5	+2
Portugal	35	+1	-4	+6
Greece	67	+0	-1	+5

Commodities

	Close	% Change Day	4 Weeks	End 25
Brent Oil	79.45	+0.11	+1.83	+30.57
West Texas Oil	76.78	-0.71	+2.98	+34.09
Gold $	4245.4	+4.16	+4.15	-1.59

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